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## AGRICULTURAL OUTLOOK DIGEST

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OUTLOOK FOR 1964: Continued expansion in domestic demand for farm products and record-high exports are anticipated for 1964. However, dominant factors in the outlook for farm income include a sharp drop in income from wheat and a continued uptrend in farm production expenses. As a result, realized net farm income will be somewhat lower than in 1963; partially offsetting will be the continued downtrend in farm numbers.

Prices received for most major commodities in 1964 are not expected to change much from 1963 levels, except for wheat, particularly during the last half of 1964. The value of U. S. agricultural exports is estimated at \$5.1 billion for fiscal year 1963. If negotiations for sales of wheat and other commodities to Communist Bloc countries result in large shipments, farm product exports in 1963-64 could rise to around \$6 billion.

CATTLE: Red meat production is increasing substantially in 1963 and some further rise is expected in 1964. Most of the gain is in beef. Fed cattle marketings are expected to stay large this winter and prices will average below the first quarter of 1963 when Choice steers at Chicago averaged \$25.28. Fed cattle supplies and prices in final 3 quarters of 1964 will be strongly influenced by the number of animals put on feed the next few months.

HOGS: 1964 prices may average a little higher than this year due to lower per capita supplies. Prices this winter will probably stay below a year earlier, then rise next spring. Slaughter likely will drop under year-earlier levels before 1964's second quarter and remain below the rest of the year.

SHEEP: The lamb crop next year probably will be 4-5 percent smaller than this year. Slaughter may be down again next year, but prices may not be greatly different from 1963.

MILK: Output in 1964 will probably about equal the 125 billion pounds in prospect for 1963. Cash receipts from farm sales of milk and cream in 1963 are unchanged from last year but may gain slightly in 1964. Net income from dairying next year is expected to decline somewhat because of the continuing rise in production expenses.

POULTRY AND EGGS: Farm egg production in 1964 is expected to exceed the 176 million cases likely this year. Most of the increase probably will be in the first half. So prices early in 1964 will probably go below a year earlier; for the whole year may be slightly under the average indicated for 1963.

Broiler output in early 1964 will be about the same as a year earlier, but for the year is expected to go above the 1963 level. Most of the increase is expected in the second half.

WHEAT: Situation in 1963-64 season is highlighted by prospects for a large increase in exports, due to poor crops in many exporting countries and prospective sales to USSR and the Soviet Bloc. If expectations are realized, wheat exports could total around 1 billion bushels, and carryover next July may be smallest since 1953. Domestic use may stay about the same as in recent years. Season average price to farmers in 1963-64 year may be moderately above the \$1.82 per bushel loan rate.

FEED GRAINS: Domestic use in 1963-64 year may go a little above the current level, due mostly to increased cattle feeding. Total disappearance probably will be around 3-4 million tons above the 153 million in 1962-63, with a small decline in stocks in prospect. Exports may about equal the high 1962-63 level.

The 1963-64 corn supply is estimated at 5.3 billion bushels, slightly above 1962-63, but nearly 400 million below the record high in 1960. Oat and barley supplies are slightly under a year earlier; the sorghum grain supply is a bit larger.

SOYBEANS: Supplies are put at a record 733 million bushels compared with 723 million in 1962-63. Prices to farmers likely will stay strong, possibly around 35 cents above the support level of \$2.25 per bushel. Exports may be record high and carryover next fall may again be at a minimum level.

PEANUTS: Most since 1948-49 is prospect for 1963-64 year. Supplies, estimated at 5 percent above a year earlier, are sharply above domestic needs. Prices for 1963-crop peanuts are about at the CCC loan rate.

FRUIT: Citrus output in 1963-64 may be below the reduced 1962-63 crop. The 1964 deciduous crop may be little different from 1963. Edible tree nut production is expected to be below the 1963 high.

POTATOES: Supplies for fall and winter markets are slightly above a year earlier. Grower prices the next few months will likely average close to the relatively low year-earlier levels.

Fewer sweetpotatoes are available than a year ago. Production is down 11 percent from last year. Prices are expected to rise seasonally into spring and average above last season.

VEGETABLES: Fresh supplies for marketing this fall are down moderately from a year earlier. Canned supplies for 1963-64 season appear slightly under record stocks last season. Frozen supplies may be a little smaller this season than last, but stocks of major items are ample.

COTTON: Despite the increased disappearance expected, carryover next August probably will be about 12.9 million bales, up 1.7 million from last August and the largest since 1956. The large crop this season is expected to more than exceed use.

WOOL: A further decline in sheep numbers points to less wool production in 1964. Domestic consumption, however, will be about the same as in 1963; increased imports of apparel textile products are expected to about offset lower mill use of raw wool.

TOBACCO: The 1963-64 supply of flue-cured--the leading cigarette and export tobacco--is 3 percent above a year earlier and the most since 1956-57. The burley supply is about 6 percent above a year earlier and the largest on record.